

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| THE APPLICATION OF THE ADAIR COUNTY) | |
| WATER DISTRICT FOR A CERTIFICATE OF) | |
| PUBLIC CONVENIENCE AND NECESSITY,) | |
| AUTHORIZING AND PERMITTING THE ADAIR) | |
| COUNTY WATER DISTRICT TO CONSTRUCT A) | CASE NO. 91-065 |
| WATERWORKS CONSTRUCTION PROJECT,) | |
| CONSISTING OF EXTENSIONS, ADDITIONS) | |
| AND IMPROVEMENTS TO THE EXISTING) | |
| WATERWORKS SYSTEMS OF THE DISTRICT) | |

O R D E R

On February 26, 1991, Adair County Water District ("Adair Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$46,000 waterworks improvement project and for approval of its plan of financing for this project. The project will be funded by a \$46,000 grant from the Farmers Home Administration ("FmHA").

Adair Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on February 26, 1991, KRS 278.023 does not grant to the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Adair Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Adair Water's proposed plan of financing with FmHA is accepted.

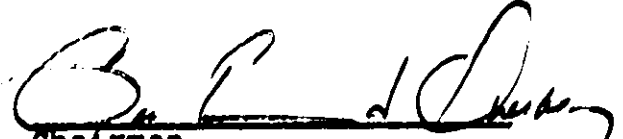
3. Adair Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. Adair Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Adair Water shall take immediate action to bring the system into compliance with Commission regulations.


Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 25th day of March, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director